



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0769	Title:	Require registration of alternative adolescent programs and rules for regulation
Primary Sponsor:	Lake, Bob	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$800	\$15,382	\$3,180	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$800	\$15,382	\$3,180	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

The fiscal impact due to HB 769 would be due to the cost incurred by the Department of Labor and Industry associated with mandatory registration and licensure of alternative adolescent residential or outdoor programs and performing inspections on those programs beginning in FY 2009.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry

1. The department estimates it would receive 29 program applications for licensure in FY 2009.
2. It is assumed that the rules will be noticed in FY 2008 with an effective date of October 1, 2008.
3. In FY 2008 it is assumed there will be 10 additional administrative rule pages at \$50 each for a cost of \$500. The department assumes the rule notices, adoption notices and final rules would be available on the board's website and interested parties would be notified by printed mail (\$2 for postage and printing x 150 interested party list members = \$300) for a total additional cost of \$800 in FY 2008.

4. This fiscal note assumes that the inspections would be contracted for and inspections would be grouped geographically to save on expenses. There would be 29 licensed programs to inspect in FY 2009 with 20 overnight stays (20 x \$60 = \$1,200); approximately 3,000 miles of travel (3,000 x \$.485 per mile = \$1,455); meals for 20 days (20 x \$23 = \$460); and a cost of \$150 per program for inspection time (\$150 x 29 estimated programs = \$4,350) for a total cost of \$7,465. The average inspection cost per program is approximately \$257 (\$7,465/29).
5. This fiscal note assumes that complaints requiring an additional inspection or investigation will be taken care of by existing staff.
6. HB 769 presently requires applicants to forward “any information that the board may require to facilitate fingerprint and background check by the Montana Department of Justice and the Federal Bureau of Investigation of a manager or a worker affiliated with the program with direct access to program participants, including information pertaining to criminal convictions”. Presently fingerprinting can be done through a local law enforcement agency or through the Department of Justice. The cost per fingerprinting through the Department of Justice is \$5; the fee for a national background check performed through the Department of Justice is presently \$34, for a total cost of \$39 per licensee as of January, 2007. Under HB 769 costs would need to be paid directly to the board in addition to the program license fees in (7).
7. The board will increase fees to cover costs as needed. The licensure application and setting of fees will be established by the board through the administrative rule making process.
8. Each program is estimated to have 7 employees. In FY 2009 there will be 203 background checks (7 employees x 29 program x \$39 = \$7,917).
9. It is assumed there will be six new programs in FY 2010. Cost for inspections will be \$1,542 (6 programs x \$257 average cost per inspection). Cost for background checks will be \$1,638 (6 programs x 7 employees x \$39). Total costs in FY 2010 are estimated to be \$3,180.
10. It is assumed there will be no new programs in FY 2011.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Department of Labor and Industry				
<u>Expenditures:</u>				
Operating Expenses	\$800	\$15,382	\$3,180	\$0
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$800	\$15,382	\$3,180	\$0
<u>Revenues:</u>				
State Special Revenue (02)	\$800	\$15,382	\$3,180	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date